

Modern Slavery Statement

As at 16 June 2026

1. Introduction

This Modern Slavery Act Statement (**‘Statement’**) has been prepared in accordance with the Modern Slavery Act 2018 (Cth) (**‘the Act’**) for the period 1 January 2025 to 31 December 2025.

This Statement outlines the methods through which DroneShield Limited (**‘DroneShield’** or **‘the Company’**) identifies, manages, and addresses modern slavery risk in its operations and supply chain. Further, this statement provides an update on DroneShield’s intention to further improve its due diligence regarding modern slavery risks.

DroneShield was formed in 2014. For much of its existence, DroneShield has not met the minimum threshold for reporting under the Act. Over the last reporting period, DroneShield experienced very strong revenue growth, extensive recruitment, and broader development of its engineering, manufacturing and logistics capability and capacity. During this reporting period DroneShield crossed the revenue threshold stipulated in the Act. Accordingly, this is DroneShield’s first Statement.

2. Criteria 1: Reporting entities

This Statement covers DroneShield and each of its Australian-controlled entities. The reporting entities included in this Statement are:

- DroneShield Limited (608 915 859)
- DroneShield Group Pty Ltd (668 560 610)
- DroneShield Defence Services Pty Ltd (683 199 877)
- DroneShield Corporation Pty Ltd (629 844 113)

In addition, DroneShield owns, controls and operates various subsidiary entities that are non-reporting entities under the Act.

This Statement has been prepared for DroneShield Limited and its subsidiaries. Any reference to DroneShield is a reference to the entire group.

DroneShield Defence Services Pty Ltd is no longer operational. The company was decommissioned on 22 October 2025.

3. Criteria 2: Structure, Operations, and Supply Chain

3.1. Structure

DroneShield is a public company listed on the Australian Securities Exchange with six wholly owned and controlled subsidiary entities as at 31 December 2025. Three of the controlled entities are incorporated in Australia and operate wholly within Australia. In addition to the Australian-controlled entities, DroneShield has entities in the United States of America, the Netherlands, and Belgium. In addition, in April 2026, DroneShield incorporated an additional entity in Germany. The primary function of the non-Australian-based entities is to engage marketing personnel and to help perform the compliance, due diligence and finance functions in the respective markets.

The reporting entities listed above have the following functions:

Entity	Function
DroneShield Limited	This entity functions as the parent entity and head of the DroneShield group of companies.
DroneShield Group Pty Ltd	This entity hosts the large majority of DroneShield's Australian operations, including its engineering, warehousing and manufacturing teams.
DroneShield Defence Services Pty Ltd	This entity was used to engage with Australian Defence Force clients. It is no longer operational as of October 2025.
DroneShield Corporation Pty Ltd	This entity is the parent entity of DroneShield's European subsidiaries.

3.2. Team

As at 31 December 2025, DroneShield's workforce employed a total of 446 personnel. The workforce consisted of 442 permanent employees and four temporary employees, including all casual workers and employees on temporary contracts.

Overseas Workforce

The majority of DroneShield's employees are based in Australia, with the remaining 42 personnel working across the United States of America, the Netherlands, Mexico and the Middle East. As at 31 December 2025, DroneShield's overseas employees were employed in the United States. DroneShield hires all its US employees through its US subsidiary, and had 33 personnel employed through the US entity as at 31 December 2025. All other international personnel are engaged through "employer-of-record" arrangements via third-party providers. As at 31 December 2025 DroneShield had nine personnel engaged through employer of record arrangements.

Visa Workers

DroneShield requires access to employees with highly specialised skill sets due to the complex nature of its products. As part of its broader strategy to attract and retain top talent, DroneShield has recognised the value of sponsoring skilled workers.

As at 31 December 2025, DroneShield employed 79 workers under different Australian visas with appropriate working conditions. DroneShield is an approved sponsor for international workers in Australia, is aware of its obligations as an approved sponsor, and has processes in place to ensure compliance with those obligations. DroneShield retains an external immigration lawyer to manage all visa requirements.

3.3. Operations

DroneShield provides Artificial Intelligence-based platforms for protection against advanced threats such as drones and autonomous systems. DroneShield offers customers counter-drone solutions ('C-UxS') designed to suit a variety of terrestrial, maritime and airborne platforms. DroneShield's customers include military, intelligence community, government, law enforcement, airports and other critical infrastructure locations.

DroneShield offers a comprehensive solution to drone threats through a suite of detection and mitigation products. The current product range is as follows:

- (a) RfPatrol: a body-worn drone detector, with SaaS AI-based RFAI software;
- (b) DroneSentry: a multi-sensor on-the-move and fixed-site detection and defeat C-UxS system, including DroneShield's own hardware and SaaS AI software, including DroneSentry-X and DroneSentry-C2, as well as third-party products such as radars and cameras, in certain deployments; and
- (c) DroneGun: a handheld drone electronic jamming system.

DroneShield's internal value chain includes the following principal activities:

- Research and development of new technologies;
- Production and manufacturing of DroneShield devices and software; and
- Sales and marketing of DroneShield devices and software globally.

3.4. Supply Chain

DroneShield respects ethical labour practices and takes a zero-tolerance approach to any form of discrimination or abuse, including modern slavery in its operations and supply chains. DroneShield expects that all employees, suppliers, subcontractors and agents uphold these values.

DroneShield prides itself on being an Australian company with a largely Australian supply chain. Over 60% of DroneShield's supplier spend is with Australian companies. Other major spend occurs in the United States (~20%), South Korea (~8%), and Denmark (~2%). The remaining 10% of spend is distributed across international markets, with no country spend exceeding 1%.

DroneShield develops complex proprietary technologies that require suppliers with highly specialised and niche expertise. DroneShield is also selective when choosing credible suppliers that meet the standards expected by its customers. As part of this approach, DroneShield predominantly operates and sources supplies from countries assessed as having a low risk of modern slavery in line with the Walk Free Modern Slavery Index.

DroneShield has taken steps to ensure compliance with the Uyghur Forced Labor Prevention Act in the United States. DroneShield has embedded a forced labour declaration in its supplier due diligence process for several years, and all new suppliers are required to attest to this declaration.

Alongside in-house manufacturing and assembly capabilities, DroneShield also uses contract manufacturers to assemble products. These contract manufacturers are some of DroneShield's largest suppliers by spend. DroneShield has long-term relationships with its contract manufacturing partners and conducts thorough due-diligence on all contract manufacturers, including physical site inspections.

During the reporting period, DroneShield engaged with 560 direct suppliers. DroneShield analysed all direct suppliers with spend exceeding A\$100,000. This analysis addressed over 90% of total spend. Major spend categories included radar/sensor systems, electronic jamming systems, contract manufacturing, compliance testing providers, RF communication equipment, protective cases, IT hardware, uniforms/PPE, and electronic cables.

4. Criteria 3: Risk of Modern Slavery in DroneShield's Operations and Supply Chain

4.1. Risks in our Operations

DroneShield employs over 400 personnel across various Australian and international locations. This exposes DroneShield to modern slavery risks in its operations. DroneShield has identified the following factors as potential sources of risk in its operations:

1. Industry-related risk

Manufacturing is identified as a high-risk industry for modern slavery.

DroneShield uses both its domestic in-house manufacturing capability and contract manufacturers. The risks associated with contract manufacturing are addressed under risks in our supply chain.

DroneShield has production facilities in Australia, which it uses to manufacture and assemble complex products in-house.

2. Reliance on migrant workers

Migrant workers are seen as a vulnerable class as they often rely on employers for work rights and may be subject to exploitation.

As stated under Criterion 2, using skilled migrant workers is essential to DroneShield's long-term growth strategy. The workers that DroneShield sponsors are typically highly skilled and have in-demand skillsets. This reduces the risk that they will be exposed to exploitative practices.

To mitigate this risk DroneShield engages an external immigration lawyer to ensure all visa requirements and entitlements are fulfilled. Further, DroneShield conducts strict due diligence on foreign workers during its recruitment process. All foreign workers are subject to VEVO checks. VEVO checks ensure that DroneShield can validate the visa status and conditions of employees. DroneShield's recruitment process includes vetting the current visa status of potential employees and setting clear expectations regarding the visa application process.

3. Engaging workers through external agencies

Engaging employees through third-party agencies, increases exposure to modern slavery risk. This is due to reduced visibility over the contracts that such workers may have with third-party agencies. It can increase exposure to Modern Slavery through forced labour and debt bondage.

DroneShield engaged third-party agencies for the provision of two types of workers in the previous reporting year:

(a) International personnel contracted through employer-of-record agreements.

These arrangements were used to recruit talent in international markets, mainly for marketing purposes. DroneShield uses two different employer-of-record providers, both of which are well regarded in the industry. Both suppliers have been subject to DroneShield's supplier due diligence process, which includes a forced labour declaration. Further, DroneShield has conducted independent background and social media checks on all contractors engaged through the employer-of-record arrangements, allow DroneShield to conduct sufficient due diligence to identify any potential contractors that may be at risk of Modern Slavery.

(b) Casual domestic employees hired through local Australian labour hire companies.

DroneShield does not hire casual employees directly. DroneShield uses reputable Australian labour hire agencies to fulfil occasional demand for casual employees when required. All labour hire agencies are subject to DroneShield's supplier due diligence process, which includes a Forced Labour declaration. All employees engaged through these arrangements are required to undergo background checks before commencing any work for DroneShield.

4. Employees living on site

DroneShield provides temporary and occasional accommodation for employees when they are travelling for work-related purposes. Travel arrangements are guided by DroneShield's Travel Policy. DroneShield does not provide permanent or long-term accommodation for employees.

4.2. Risks in our Supply Chain

DroneShield acknowledges the prevalence of modern slavery in Australian and international supply chains. DroneShield has identified the following factors as potential sources of risk in its supply chain:

1. Manufacturing related risk factors

DroneShield is a technology manufacturer. Manufacturing is considered a high-risk area for modern slavery due to its reliance on high quantities of low skilled workers, often in countries associated with a high prevalence of Modern Slavery risk.

DroneShield uses contract manufacturers to produce and assemble some goods. The majority of DroneShield's manufacturing occurs in Australia. DroneShield has also used an alternative contract manufacturer in South Korea. During 2026, after the last reporting year, DroneShield initiated production through a contract manufacturing arrangement in Belgium. DroneShield focuses on quality with its manufacturing partners and order volumes are negotiated with consideration of the manufacturer's capacity. DroneShield has longstanding relationships with its contract manufacturers and has conducted due diligence checks on these suppliers. These checks have included several physical site inspections.

2. Exposure to electronic components

A report published by Walk Free found that workers in the electronic component manufacturing industry are vulnerable to debt bondage, illegal overtime, wage theft and hazardous conditions, among other forms of exploitation. Further, the report acknowledged the difficulty for Australian companies to have insight into the tier 2 and tier 3 suppliers used by electronic component manufacturers.

DroneShield sources electrical components from third-party suppliers. Due to the nature of DroneShield's technology, these components can be highly specialised with a limited number of suppliers able to produce the required product specifications. All new suppliers are subject to a forced labour declaration as part of the onboarding process.

3. Conflict minerals

The extraction and trade of conflict minerals can finance armed conflicts and contribute to human rights abuses. Conflict minerals are key primary inputs for critical electronic components, such as circuit boards and capacitors.

DroneShield has committed to the responsible sourcing of items that could be classified as conflict minerals in its supply chain. DroneShield has an active Conflict Minerals Policy.

4. Suppliers in High-Risk Countries

None of the countries in which DroneShield's current suppliers are based have been identified as high risk under the Walk Free Global Slavery Index.

4.3. Planned actions to address Modern Slavery Risk

Action	Description
Modern Slavery Policy	DroneShield will embed a Modern Slavery Policy. The policy will state DroneShield's position regarding modern slavery risk exposure and set out expectations for supplier engagement. Further, the policy will delegate internal roles and responsibilities within DroneShield with regard to management and reporting against Modern Slavery risks and obligations.
Modern Slavery Committee	As part of the Modern Slavery Policy, DroneShield will establish a Modern Slavery committee. The governance and cadence for this committee will be set out in the Modern Slavery Policy. The purpose of the committee will be to monitor modern slavery risks and advise on actions to address risk exposure.
Modern Slavery Training	DroneShield will roll out mandatory modern slavery training for all employees. The aim of this training is to increase awareness of modern slavery risk factors.
Enhanced Modern Slavery Supplier due diligence	DroneShield intends to tailor its current supplier due diligence process to specifically address modern slavery risks. This will include modifying the current Uyghur Forced Labor Prevention Act declaration to a more generic modern slavery declaration. It will also include a proactive Modern Slavery screening process through a media screening or a third-party platform.
Procurement Function and Software uplift	DroneShield is currently building out its procurement capability across the business. This capability will allow for greater supplier due diligence. As part of this process, DroneShield will also onboard a third-party defence supplier screening platform, which will help track and identify high-risk suppliers.
Supplier evaluation process	DroneShield conducts semi-annual performance reviews of all top suppliers and manufacturing suppliers. DroneShield will ask suppliers for an updated modern slavery declaration as a part of the reassessment form to ensure the currency of the declaration.

5. Criteria 4: Actions taken to address modern slavery risks

This is the first Modern Slavery Statement issued by DroneShield. DroneShield has existing human resource management, recruitment and procurement policies and procedures that safeguard employees and DroneShield's supply chain from exposure to modern slavery. These policies are listed below:

Policy	Description
Corporate Code of Conduct	DroneShield's Corporate Code of Conduct provides a foundational control environment that indirectly mitigates modern slavery risks within DroneShield's operations and supply chain. The Code: (a) establishes expectations of lawful and ethical conduct for all employees, contractors and agents; (b) requires compliance with applicable legislation; (c) promotes fair dealing with suppliers; (d) prohibits corrupt conduct, bribery and improper inducements; and (e) provides protected mechanisms for reporting concerns without retaliation. Together, these measures help reduce the risk of modern slavery by supporting ethical procurement practices, discouraging exploitative or unlawful labour arrangements, and enabling issues to be identified and escalated.
Whistleblower Protection Policy	DroneShield's Whistleblower Protection Policy supports the identification and escalation of potential modern slavery risks by providing secure, confidential and non-retaliatory reporting mechanisms for employees, contractors, suppliers and other third parties globally. The policy enables disclosures of suspected illegal, unethical or improper conduct, including conduct that may involve exploitation, coercion or unlawful labour practices. It also provides protections for whistleblowers against victimisation or retaliation. These arrangements assist DroneShield in detecting and responding to potential modern slavery risks within its operations and supply chain.
Conflict Minerals Policy	DroneShield's Conflict Minerals Policy supports the mitigation of modern slavery and human rights risks within its supply chain by promoting the responsible sourcing of tin, tantalum, tungsten and gold. The policy requires suppliers to conduct due diligence on the origin of conflict minerals, use certified conflict free smelters and refiners, and provide written disclosures using recognised reporting templates. By aligning supplier expectations with international standards developed to address human rights abuses in high-risk mining regions, the policy assists DroneShield in reducing the risk that its products are linked to forced labour, exploitation or conflict-related human rights violations.

Vetting Policy	DroneShield's Vetting Policy supports the mitigation of modern slavery and related human rights risks within its operations by requiring pre-employment and ongoing background checks for employees. The policy mandates identity verification, national police checks, credential verification and reference checks and, where required, Australian Government security vetting. These controls help promote workforce integrity, lawful employment practices and transparency in hiring, and reduce the risk of coercion, exploitation or undisclosed labour-related misconduct within DroneShield's operations.
Procurement Procedure	The DroneShield Procurement Procedure establishes controls to mitigate modern slavery and related ethical risks within its supply chain by requiring structured supplier assessment, approval and ongoing review processes. The procedure mandates the use of approved suppliers, supplier due diligence through documented assessment criteria, and ongoing performance monitoring, with mechanisms to apply corrective actions or remove suppliers where non-conformances are identified. Supplier evaluations may include consideration of regulatory and human-rights related requirements, and procurement activities are subject to management oversight and record-keeping through the Company's enterprise resource planning system. This procedure provides a governance framework that supports responsible sourcing and risk management within DroneShield's supply chain.
Sexual Harassment Training	DroneShield mandates that all employees complete sexual harassment training as part of its broader commitment to maintaining a safe, respectful and lawful workplace. This training supports awareness of appropriate workplace conduct, power imbalances and reporting mechanisms, and reinforces expectations of dignity and respect in employment relationships. While not implemented specifically as a modern slavery initiative, mandatory harassment training contributes to the Company's broader human rights and labour-related risk controls within its operations by promoting ethical behaviour and supporting the identification and escalation of misconduct.

6. Criteria 5: Assessing the effectiveness of our actions

This is the first Modern Slavery Statement issued by DroneShield; therefore the effectiveness of past actions cannot be directly assessed.

During the reporting period, DroneShield received no whistleblower complaints. DroneShield also had no non-conformances or regulatory breaches pertaining to the Modern Slavery Act or similar regulations.

7. Criteria 6: Consultation process

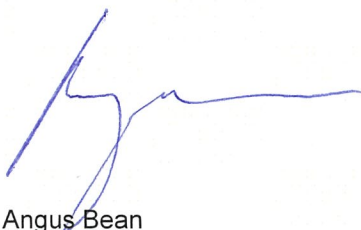
DroneShield's controlled entities are wholly owned and controlled by DroneShield Limited. Accordingly, all controlled entities were considered in this Statement, however, formal consultation was not required, as DroneShield Limited and its controlled entities share the same corporate governance functions and a common executive leadership team.

8. Criteria 7: Provide any relevant information

All relevant information has been included in the relevant sections above.

9. Criteria 8: Approval

This Modern Slavery Statement was approved by the Board of DroneShield on the behalf of all reporting entities covered by this statement on 16 June 2026.



Angus Bean

Managing Director & Chief Executive Officer